



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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January 5, 2012

Becky J. Hatter, President, / CEO
Big Brothers Big Sisters of Eastern Missouri
501 N Grand Boulevard, Suite 200
St. Louis, MO 63103

RE: Community Development Block Grant (CDBG) (Project #2012-CDA14)

Dear Ms. Hatter:

Enclosed is the report of the fiscal monitoring review of Big Brothers Big Sisters of Eastern Missouri, a not-for-profit organization, CDBG Program, for the period January 1, 2011 through September 30, 2011. The scope of a fiscal monitoring review is less than an audit, and as such, we do not express an opinion on the financial operations of Big Brothers Big Sisters. Fieldwork was completed on November 10, 2011.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and through an agreement with the Community Development Administration (CDA) to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please contact the Internal Audit Section at 314-657-3490.

Sincerely,

Dr. Kenneth M. Stone, CPA
Internal Audit Executive

Enclosure

cc: Jill Claybour, Acting Executive Director, CDA
Lorna Alexander, Special Assistant for Development, CDA



CITY OF ST. LOUIS

**COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

BIG BROTHERS BIG SISTERS OF EASTERN MISSOURI

**CONTRACT #11-11-94
CFDA #14.218**

FISCAL MONITORING REVIEW

JANUARY 1, 2011 THROUGH SEPTEMBER 30, 2011

PROJECT #2012-CDA14

DATE ISSUED: JANUARY 5, 2012

**Prepared By:
The Internal Audit Section**



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
COMMUNITY DEVELOPMENT ADMINISTRATION (CDA)
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
BIG BROTHERS BIG SISTERS OF EASTERN MISSOURI
FISCAL MONITORING REVIEW
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INTRODUCTION

Background

Contract Name: Big Brothers Big Sisters

Contract Number: 11-11-94

CFDA Number: 14.218

Contract Period: January 1, 2011 through December 31, 2011

Contract Amount: \$123,700

The contract provided Community Development Block Grant (CDBG) funds to Big Brothers Big Sisters of Eastern Missouri (Agency) to deliver a long lasting mentoring relationship to young persons living in the City of St. Louis.

Purpose

The purpose of the review was to determine the Agency's compliance with federal, state, and local Community Development Administration (CDA) requirements for the period January 1, 2011 through September 30, 2011, and make recommendations for improvements, as considered necessary.

Scope and Methodology

Inquiries were made regarding the Agency's internal controls relating to the grants administered by CDA. Evidence was tested supporting the reports the Agency submitted to CDA and other procedures were performed, as considered necessary. Fieldwork was completed on November 10, 2011.

Exit Conference

The Agency was offered on December 15, 2011, an opportunity for an exit conference; however, it was declined.

Management's Response

Management's response to the observation and recommendation noted in the report was received on December 12, 2011 and has been incorporated into this report.

SUMMARY OF OBSERVATIONS

Conclusion

The Agency did not fully comply with federal, state, and local CDA requirements.

Status of Prior Observations

The Agency's previous fiscal monitoring report, Project #2011-CDA10, issued January 31, 2011 contained no observations.

A-133 Status

According to a letter received from the Agency, dated October 14, 2011, the Agency did not expend \$500,000 or more in federal funds in its calendar year ended December 31, 2010, and was not required to have an OMB Circular A-133 single audit.

Summary of Current Observations

A recommendation was made for the following observation, which if implemented, could assist the Agency in fully complying with federal, state, and local CDA requirements.

- Opportunity to submit monthly financial reports

DETAILED OBSERVATIONS, RECOMMENDATIONS, AND MANAGEMENT'S RESPONSES

Opportunity To Submit Monthly Financial Reports

The Agency did not submit any monthly financial reports for the period of January through September 2011. The contract was signed by CDA and the Agency representative on May 12, 2011.

The grant contract states, "The Operating Agency shall furnish complete and accurate financial reports to the Comptroller's Office Federal Grants Sectionno later than the 10th calendar day of each month following the reporting month."

The Agency did not have a system of internal controls in place to ensure that the monthly financial reports are submitted in a timely manner in compliance with the requirements of the grant contract.

Non-compliance with the grant contract requirements may cause a delay or suspension in the processing of reimbursement requests resulting in interruption in the Agency's service to its clients.

Recommendation

It is recommended that the Agency comply with grant contract's reporting requirements and submit monthly financial reports by the 10th day of the month following the reporting period.

Management's Response

We do not concur with the finding. Although we have not been submitting the financial report in the correct format, we have every intention of correcting this oversight in future filings. For the following reasons, we respectfully request that you waive the finding for the current audit period:

- *All of the relevant information required was submitted on an attachment to the request for Interim Reimbursement each month.*
- *We are on a "per unit" reimbursement and were under the impression that the missing form applied to "direct cost" reimbursement.*
- *We have received our reimbursements for 3+ years and have never been asked for this additional form.*

Thank you for your consideration. We will make sure we are in total compliance in the future.

Auditor's Comment

The Agency is required to comply with the provisions of the grant contract agreement.